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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/720,085	11/25/2003	Souichi Okada	1466.1080	4876
21171	7590	04/05/2006	EXAMINER	
STAAS & HALSEY LLP SUITE 700 1201 NEW YORK AVENUE, N.W. WASHINGTON, DC 20005			KIM, AHSHIK	
			ART UNIT	PAPER NUMBER
			2876	

DATE MAILED: 04/05/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 10/720,085	Applicant(s) OKADA ET AL.	
	Examiner Ahshik Kim	Art Unit 2876	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 1/19/06 (RCE).
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1,3 and 5-18 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1,3 and 5-18 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in
5 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is
eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e)
has been timely paid, the finality of the previous Office action has been withdrawn pursuant to
37 CFR 1.114. Applicant's submission filed on January 19, 2006 has been entered.

Amendment

10 2. Pursuant to filing of Request for Continued Examination, the previously submitted
amendment filed on December 21, 2005 is entered. In the amendment, claims 1 and 13-18 were
amended. Currently, claims 1, 3, and 5-18 remain in the examination.

Claim Rejections - 35 USC § 103

15 3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all
obviousness rejections set forth in this Office action:

20 (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in
section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are
such that the subject matter as a whole would have been obvious at the time the invention was made to a person
having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the
manner in which the invention was made.

25 4. This application currently names joint inventors. In considering patentability of the
claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various
claims was commonly owned at the time any inventions covered therein were made absent any

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evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(e), (f) or (g) prior art under 35 U.S.C. 103(a).

- 5 5. Claims 1, 3, 5-7, 9, 12-14, 17, and 18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Deo et al. (US 5,721,781, hereinafter "Deo") in view of Niwata et al. (US 6,595,415, hereinafter "Niwata").

Re claims 1, 3, 7, 9, 12-14, and 18, Deo discloses a personal identification terminal 32 which checks person's identification by various means such as by smart card alone, or by smart
10 card and a personal identification number (PIN) and other additional security means (see abstract; figure 9, col. 11, lines 1+). ATM machine can certainly interpreted as a server, and the server checks identification and security level information when a transaction is initiated by the user. Since security level is determined by the amount of transaction, the lowest level security can be considered a default level (see figure 9). The smart card and the terminal transmit back
15 and forth various information which includes a digital signature (see abstract).

As illustrated in figure 9, Deo discloses tiered security level, Deo fails to specifically teach or fairly suggest that identification level is selectable by the personal identification terminal.

Niwata teaches a smart card transaction system (see abstract) utilizing electronic
20 settlement and electronic cash at a retail shop (col. 1, lines 24+). The card is also used as a personal information repository (see figure 16) requiring a security level set accordingly for the

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stored to be retrieved (col. 21, lines 66+). The security level can be set by the user (col. 23, lines 47+).

In view of Niwata's teaching, it would have been obvious to an ordinary skill in the art at the time the invention was made to incorporate well-known security setting means to the teachings of Deo in order to provided improved security for transactions with varying magnitude. Deo does teach utilizing multi-level security depending on terminal types. However, it is not flexible in a way that the users can change identification/security level. As disclosed in Niwata, the smart card can carry information leveling from almost public information such as name to very personal level – i.e., medical record and criminal record. Accordingly, it would have been obvious to one ordinary skill in the art to incorporate identity level changing functionality so that the users can assign different security level for a given transaction. The guideline could be an amount, or where the money was spent.

Re claims 5 and 6, when the smart card is authenticated by itself, it is inherent that the smart card and the card terminal communicate using a communication protocol (see abstract). When PIN is additionally required, it is responding to different level of security requirement.

6. Claims 8, 10, 11, 15, and 16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Deo et al. (US 5,721,781) as modified by Niwat et al. (US 6,595,415) as applied to claims 1, 13, and 14 above, and further in view of LeBourgeois (US 6,026,166).

The teachings of Deo as modified by Niwata have been discussed above. However, Deo/Niwata fail to specifically teach or fairly suggest that the personal identification terminal further comprises biometric information.

LeBourgeois discloses a smart card transaction system wherein the level of identity (or authenticity) of the individual is verified depending on the transaction (see abstract; col. 2, lines 33+; col. 2, lines 56+; col. 4, lines 7-27; col. 9, lines 29-57). When a user is initially registered, a digital signature is provided (col. 5, lines 32+), and biometric information such as fingerprints or
5 a retinal scan or photo ID is also collected (col. 6, lines 24+). In determining the identify, level of confidence is used by the financial institution. The level of confidence can be described as a predetermined threshold to determine positive or negative authentication of the individual (col. 12, lines 3+; also see claim 2). The certification can have expiration time limiting the use of the certification.

10 In view of LeBourgeois' teaching, it would have been obvious to an ordinary skill in the art at the time the invention was made to further incorporate well-known biometric information to the teachings of Deo/Niwata in order to further reduce fraudulent use of the card and avoid the loss caused by identity theft. PIN provides a certain amount of security, however, PIN can be stolen by an observant individual or could be inadvertently given away the user. Accordingly,
15 there have been numerous attempts to close this loophole and therefore protect the genuine users. For example, smart card comprising a fingerprint verification is well known and already used in the industry. Therefore, incorporating biometric features to Deo/Niwata would be well within one ordinary skill in the art.

Conclusion

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I. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure: Canelones et al. (US 6,802,007); Romney et al. (US 6,085,322); Seroussi et al. (US 6,836,843); Tetro et al. (US 6,715,672) disclose authentication system utilizing smart card and terminal. Applicant is respectfully suggested to carefully review these references.

II. Any inquiry concerning this communication or earlier communications from the examiner should be directed to *Ahshik Kim* whose telephone number is (571)272-2393. The examiner can normally be reached between the hours of 6:00AM to 3:00PM Monday thru Friday.


If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Michael G. Lee, can be reached on (571)272-2398. The fax number directly to the Examiner is (571)273-2393. The fax phone number for this Group is (703)872-9306.

Communications via Internet e-mail regarding this application, other than those under 35 U.S.C. 132 or which otherwise require a signature, may be used by the applicant and should be addressed to [ahshik.kim@uspto.gov].

All Internet e-mail communications will be made of record in the application file. PTO employees do not engage in Internet communications where there exists a possibility that sensitive information could be identified or exchanged unless the record includes a properly signed express waiver of the confidentiality requirements of 35 U.S.C. 122. This is more clearly set forth in the Interim Internet Usage Policy published in the Official Gazette of the Patent and Trademark on February 25, 1997 at 1195 OG 89.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished application is available for Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have any questions or access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 308-0956.


Ahshik Kim
Primary Examiner
Art Unit 2876
March 30, 2006